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L E G I S L A T I V E A N A L Y S T ' S O F F I C E

LAO 
75
YEARS OF
SERVICE

Overview of State Homelessness Programs

Presented to:
Senate Committee on Budget and Fiscal Review
Hon. Mark Leno, Chair





Background and Funding

- State Homelessness-Related Programs.*** California administers a variety of programs that assist those who are homeless or at risk of becoming homeless by:

 - Funding construction and rehabilitation of housing and shelter for homeless individuals and families.
 - Helping homeless individuals and families pay for the cost of housing or temporary shelter.
 - Providing cash assistance, mental health and substance abuse treatment, and other services.

- Multiple State Departments Involved.*** Various state entities participate in the administration of these programs, including the Departments of Housing and Community Development, Veterans Affairs, Social Services, and Health Care Services, as well as the California Tax Credit Allocation Committee and California Housing Finance Agency.

- Funding Sources.*** Funding for these programs comes from a variety of federal, state, and local sources and varies significantly from year to year, often depending on one-time allocations.

- Voters Have Approved Funding.*** California voters have approved several measures to fund homelessness-related efforts.

 - ***Bond Measures.*** Over the past 15 years, three voter-approved measures—Proposition 46 (2002), Proposition 1C (2006), and Proposition 41 (2014)—have authorized \$5.6 billion in bond funding for affordable housing construction, including housing targeted at homeless individuals and families. The vast majority of Proposition 46 and Proposition 1C funds have been spent.



Background and Funding

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- ***Mental Health Services Act.*** The Mental Health Services Act (MHSA)—also known as Proposition 63 (2004)—established a personal income tax surcharge on high-income earners to expand mental health services. Total annual revenue from this surcharge ranges from under \$1 billion to nearly \$2 billion.



Programs That Build Housing and Shelter

- Low-Income Housing Tax Credit.*** Both the federal government and the state provide tax credits to affordable housing builders to help finance their projects. Roughly \$130 million of these credits are allocated annually to projects serving homeless individuals and families. Over the last five years, these allocations have yielded around 3,700 units.

- Veterans Housing and Homelessness Prevention Program.*** Proposition 41 allocates \$570 million to pay for the acquisition, construction, and rehabilitation of affordable housing for veterans, with an emphasis on projects serving extremely low-income and homeless veterans. Sixty-three million dollars was awarded to 17 projects in 2015, which will include 348 housing units for homeless veterans.

- Multifamily Housing Program.*** Provides low-interest loans to affordable housing builders, with a portion going to supportive housing for those who are homeless or at risk for homelessness. Since 2003, around \$400 million in Proposition 46, Proposition 1C, and General Fund dollars have been allocated through the Multifamily Housing Program, assisting in the construction of around 3,656 supportive housing units.

- MHSA Housing Loan Program.*** Established in 2006 with a one-time allocation of \$400 million in MHSA funds, the MHSA housing loan program funds acquisition, construction, and rehabilitation of supportive housing for individuals—and their families—who have a mental illness and are homeless, or at risk of homelessness. Since 2006, 151 projects including 2,171 supportive housing units have received funding.



Programs That Build Housing and Shelter

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- Emergency Solutions Grants.*** Provides roughly \$10 million in annual grant funds to local agencies to fund various services for homeless individuals and families, including emergency shelters. Around 11,500 homeless individuals received shelter services funded through Emergency Solutions Grants in 2014-15.

- Emergency Housing Assistance Program.*** Between 2000 and 2011 the Emergency Housing Assistance Program allocated \$201.5 million in Proposition 46 and Proposition 1C funds for the purchase, construction, and rehabilitation of emergency shelters and transitional housing. These allocations provided for construction or preservation of 13,289 beds.



Programs That Help Pay For Housing

- California Work Opportunity and Responsibility to Kids (CalWORKs) Housing Support Program.** Helps very low-income families who are homeless or at risk of homelessness find housing. Services include short-term rental subsidies, security deposits, moving cost assistance, legal assistance, credit repair, and general case management. In any given month, around 4,500 families receive this type of assistance, for an annual cost of \$35 million.
- CalWORKs Homeless Assistance.** Provides one-time assistance to very low-income families to pay for temporary emergency shelter or past due rents to avoid eviction. In any given month, between 2,500 and 4,000 families receive this type of assistance, for an annual cost of roughly \$30 million.
- 811 Project Rental Assistance Demonstration Program.** Offers rental subsidies for roughly 300 affordable housing units targeted at homeless persons in Los Angeles County.
- Community Services Block Grants.** Provides grants to local agencies to fund an array of services for low-income individuals and families, including those who are homeless. Among other things, these services may include rental subsidies, motel vouchers, or security deposit assistance.
- Whole Person Care Pilots.** Under a recent agreement with the federal government, the state and local agencies will implement an initiative in Medi-Cal known as Whole Person Care Pilots. These pilots will aim to provide coordinated health, behavioral health, and social services, as applicable, in a patient-centered manner to certain target populations, including homeless individuals. The pilots will include collaboration between multiple public entities, Medi-Cal managed care plans, and other community entities. Participating local entities may elect to include a focus on housing services, but will be required to identify funding for these services.



Programs That Provide Other Assistance

- MHSA-Funded Mental Health Services.*** Most MHSA funding is allocated to counties to administer various local mental health programs. These local programs provide a variety of services to individuals with severe mental illness, including homeless individuals, such as intensive case management, housing, employment, education, peer support, co-occurring disorder treatment, and outreach.

- Medi-Cal.*** Medi-Cal, California's federal-state Medicaid program, provides health care services to low-income individuals—generally at no cost to beneficiaries—including families with children, pregnant women, childless adults, seniors, and persons with disabilities. Eligible homeless individuals may receive health and mental health services through Medi-Cal.

- Supplemental Security Income/State Supplementary Payment (SSI/SSP).*** SSI/SSP provides cash grants to low-income aged, blind, and disabled individuals. Recipients of SSI/SSP may use their cash grants to help pay for rent, food, or other necessities.

- CalWORKs.*** The CalWORKs program provides cash assistance and employment services to very low-income families with children. Cash assistance payments are intended to help families meet basic needs, including the cost of housing.